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MAY 26 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
Federal State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	
Program to Monitor Impacts of)	CCB-IAD File No. 98-101
Universal Service Support Mechanisms)	

**COMMENTS OF U S WEST COMMUNICATIONS, INC.
ON THE PROGRAM TO MONITOR IMPACTS OF
UNIVERSAL SERVICE SUPPORT MECHANISMS**

U S WEST Communications, Inc. ("U S WEST"), through counsel, hereby submits its comments on the Federal Communications Commission's ("Commission") program to monitor impacts of universal service support mechanisms.¹ In these comments U S WEST will make general observations and then will address specific areas of concern.

Since 1987, the Monitoring Report has provided state and federal regulators, public policy makers, and the industry with useful information related to universal service programs. Information on state subscribership and penetration levels, state and federal low-income programs, and high-cost assistance have proven to be especially valuable. U S WEST supports the continuation of the monitoring program as long as information is provided in a competitively-neutral manner and

¹ Public Notice, Common Carrier Bureau Seeks Comment on Program to Monitor Impacts of Universal Service Support Mechanisms, CC Docket No. 96-45, CCB-IAD File No. 98-101, DA 98-580, rel. Apr. 24, 1998 ("Public Notice").

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is gathered from existing sources, i.e., no new reporting requirements are imposed on carriers.

In a competitive environment, the establishment of explicit universal service support mechanisms gains increased importance. In its May 8 Order, the Commission added a principle addressing competitive neutrality to the principles mandated in the Telecommunications Act. The Commission defined the principle as:

COMPETITIVE NEUTRALITY -- Universal service support mechanisms and rules should be competitively neutral. In this context, competitive neutrality means that universal service support mechanisms and rules neither unfairly advantage nor disadvantage one provider over another, and neither unfairly favor nor disfavor one technology over another.²

The Commission's program to monitor universal service mechanisms must also be competitively neutral. In order to advance the principle of competitive neutrality, reports deemed useful should be required of all carriers, incumbent local exchange carriers ("ILEC") and competitive local exchange carriers ("CLEC") alike. The concept of competitive neutrality requires that all carriers, irrespective of their form of regulation, be subject to the same reporting requirements. Not only will reports including information about both ILECs and CLECs be competitively neutral, they will also give the user of the report a more comprehensive picture of the impacts of a competitive market on universal service. However, as U S WEST argues below, no new reporting requirements should be imposed on providers, and

² In the Matter of Federal-State Joint Board on Universal Service, Report and Order, 12 FCC Rcd. 8776, 8801 ¶ 47 (1997); appeal pending sub nom. Texas Office of Public Utility Counsel v. FCC, No. 97-60421 (5th Cir.).

some existing requirements should be eliminated. Any information included in the monitoring program should be gleaned from existing data.

In reporting information on all providers, the Commission must take caution to, when necessary, aggregate the information to a level that does not reveal competitively-sensitive information about any one provider. This includes the revelation of any market share data. Throughout the Commission's proposal there are suggestions of reporting competitively-sensitive information. In paragraph 31, the Commission suggests, "We could, for example, report the total amount of support received by each providing company or, alternatively, we could specify the amount of support received by the company for individual contracts."³ From an overall program monitoring standpoint it would appear desirable to publish annual aggregate program information for both schools and libraries and rural health care providers' utilization of the federal program. However, this information should be reported at an aggregated state level. It is not desirable to publish individual telecommunications company statistics.⁴ Generalized statistical information alone can provide an appropriate measure of the strength and effectiveness of the programs while avoiding potential concern on the part of private industries that individual data -- whether public or not -- is broadcast without a defined benefit to the public.

³ Public Notice ¶ 31.

⁴ Providing individual company data may not only be a concern for competitive telecommunications providers, it may also be a concern for competitive rural health care providers.

The Commission's proposal also contemplates seeking and revealing market share data in individual markets in its high-cost program.⁵ For obvious reasons, the Commission should reject this proposal. The monitoring program should be used to show the success of universal service mechanisms, specifically how high-cost and low-income customers are able to maintain service in a competitive telecommunications market. The monitoring program is not a tool to report sensitive information about that competitive market.

In addition to the monitoring program being competitively neutral, the program must also draw its information from existing sources of information and no new reporting requirements should be imposed on any provider. As stated in its Public Notice, the Commission should draw its information from the National Exchange Carriers Association ("NECA"), the Bureau of Labor Statistics ("BLS"), the Census Bureau, the Rural Utilities Service ("RUS"), tariffs, Automated Reporting Management Information Systems ("ARMIS"),⁶ and Commission surveys.⁷

The Commission should not impose any new reporting requirements on providers. Providers, especially ILECs, are already burdened with a myriad of reporting requirements. Providers are also incurring implementation costs for meeting the requirements of universal service programs that are not reimbursed from the universal service fund. Imposing additional, costly reporting requirements

⁵ Public Notice ¶ 27.

⁶ While U S WEST recognizes the ARMIS reports are publicly-available data, U S WEST also argues in these comments that selected ARMIS reports are no longer necessary and should be eliminated.

⁷ Public Notice ¶ 11.

on providers is not necessary and should be avoided by the Commission, especially since existing sources are adequate to provide the needed information.

I. THE COMMISSION SHOULD NOT REQUIRE ADDITIONAL REPORTING REQUIREMENTS ON PROVIDERS TO REPORT CORRESPONDING DATA ON STATE UNIVERSAL SERVICE MECHANISMS

Before the Commission decides to include data on state specific universal service programs, it should carefully consider the source of data it will use to get the information. As previously stated, additional reporting requirements imposed on providers should not be a considered source of data. Not only will it add an additional reporting burden on providers, but individual company reports will be more difficult for the Commission to accumulate and may provide an incomplete and possibly inaccurate representation of the state program. The source of state program data must be the state commission or state program administrator. The Commission should consider any additional reporting requirements or costs reporting this data will place on state commissions or state administrators.

Absent substantial costs or reporting requirements, this information would be useful to include in the monitoring program to analyze the effectiveness of individual state programs and to determine how consistent federal and state programs are with each other.

II. THE COMMISSION SHOULD NOT INCLUDE A NEW SECTION IN ITS MONITORING PROGRAM ON QUALITY OF SERVICE

Inclusion of service quality data pulled from ARMIS reports in the Commission's monitoring program on universal service is unnecessary, redundant and is not competitively neutral. Price cap local exchange carriers file ARMIS

service quality reports in response to the Commission's requirement to monitor the impact of price cap regulation on service quality. In our comments to the Common Carrier Bureau's Public Notices soliciting comments on the proposed modifications to the ARMIS Service Quality Report and the Infrastructure Report, U S WEST argues the reports have served their purpose and should be eliminated.⁸ If the Commission continues to require these reports and publishes them in the universal service monitoring program, the Commission must provide the same data on all providers -- not just price cap LEC's. To do otherwise, would clearly be a violation of the Commission's competitive neutrality principle.

From a practical sense, gathering service quality information on all providers appears to be an almost insurmountable task. Not all providers monitor service quality in the same way and the administrative requirements to capture service quality from all providers will probably outweigh the benefits. A section on service quality should not be included in the monitoring report because it would neither be competitively neutral nor practical.

**III. THE COMMISSION SHOULD NOT INCLUDE INFORMATION ON
INFRASTRUCTURE DATA IN THE MONITORING REPORT FOR THE
SAME REASONS IT SHOULD NOT INCLUDE SERVICE QUALITY
INFORMATION**

The Commission should not provide infrastructure data on one group of providers only -- once again this puts an unnecessary and outdated reporting requirement on one group of providers and violates the competitive neutrality

⁸ Comments of U S WEST Communications, Inc., AAD File Nos. 98-22 and 98-23, filed Apr. 24, 1998.

principle adopted by the Commission.


IV. CONCLUSION

U S WEST supports the Commission's proposal to monitor the impacts of universal service support mechanisms as long as the program is done in a competitively-neutral manner which does not unfairly reveal sensitive competitive information on any provider and does not report information on only one group of carriers. The Commission's monitoring program should only use existing sources for its report information and no additional reporting requirements should be imposed on carriers. If done in a competitively-neutral manner and if the report minimizes reporting requirements, the report will provide information that will be useful to state and federal regulators, policymakers and the industry and will ensure the costs of providing the information do not outweigh the benefits.

Respectfully submitted,

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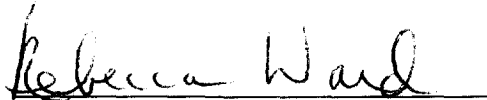
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Of Counsel,
Dan L. Poole

May 26, 1998

CERTIFICATE OF SERVICE

I, Rebecca Ward, do hereby certify that on this 26th day of May, 1998, I have caused a copy of the foregoing **COMMENTS OF U S WEST COMMUNICATIONS, INC.** to be served, via hand delivery, upon the persons listed on the attached service list.


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(CC9645bbdoc)
Last Update: 5/26/98